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AUTHOR Ferguson, James L.
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ABSTRACT

Areas of corporate concern about the current state of education are discussed by the chairman of the Council for Financial Aid to Education, along with suggestions on how corporate executives and academics can deal with these concerns. In addition to greater mutual respect between business and academia, there has been an increase in corporate financial support to education with less red tape or fear that accepting corporate money, especially research grants, will infringe on academic freedom. Crucial social issues on which business and academia can cooperate to find solutions include: improving the quality of primary and secondary schools; improving the educational choices and opportunities of minorities; determining whether four-year colleges can better prepare graduates for business careers, without compromising academic standards or distorting curricula; and restoring the importance of the humanities and liberal arts in college curricula. Business can encourage students to study the liberal arts by hiring more liberal arts graduates. Colleges also have an important role in helping to bridge the gap between the needs of the business world and the qualifications of a liberal arts graduate. College teachers could learn more about business and how it operates, and colleges could do more to encourage students to stay as broad as they can for as long as they can. (SW)

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Cooperation: Key to the Future

by

JAMES L. FERGUSON
Chairman, General Foods Corporation
Chairman, Council for Financial Aid to Education

As the corporate keynote speaker at the 68th annual meeting of the American Council on Education (ACE), Mr. Ferguson identified four principal areas of corporate concern about the current state of education. In his speech, here reproduced, he offers provocative suggestions on how corporate executives—and academics, too—can deal with these concerns.

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CFAE Council for Financial Aid to Education, Inc.
680 Fifth Avenue, New York, NY 10019

JAMES L. FERGUSON

(continued from cover)

ACE and the Council for Financial Aid to Education (CFAE), which cosponsored the meeting, built the program on the theme "Corporate/Campus Cooperation." Following Mr. Ferguson, the Reverend Theodore M. Hesburgh, CSC, president of the University of Notre Dame, sounded the academic keynote. Nearly 100 corporate executives and upwards of 700 academic leaders constituted the audience in the Fontainebleau Hotel in Miami Beach in October 1985.

Mr. Ferguson has headed General Foods since 1973. A member of the CFAE board since 1977, he was elected chairman in April 1982. Philip Morris Companies Inc. elected him a vice chairman and director in November 1985.

A graduate of Hamilton College and the Harvard Business School, Mr. Ferguson served with the U.S. Army Corps of Engineers in the Pacific theater in World War II. He is a director of a number of major companies, a member of the Business Roundtable, the Business Council, the Conference Board and a trustee of Hamilton College.

Other affiliations include the New York Botanical Garden, Aspen Institute, Japan Society and Georgetown University's Center for Strategic and International Studies.

December 1985

Cooperation: Key to the Future

Thank you very much for inviting me here today. It's an honor and a pleasure to address people in a profession that's so important to the future of society. And it's even more of an honor to share the speaker's platform with Father Hesburgh.

Today, we're here to celebrate what we've accomplished in forging a spirit of close cooperation between American business and higher education. And we're here to determine how we can use that spirit to help us deal with the new challenges facing us.

The program of this meeting is a comprehensive one. And it indicates that each of these areas of cooperation will be examined in detail by experts in concurrent sessions. I'd like to highlight some of those issues.

Mutual Respect Is Growing

First, I think it's important to realize just how far we've come in establishing mutual respect between business and academia since the 1950s and '60s. The anti-intellectualism of the McCarthy years and, later, the campus unrest of the Vietnam era fostered mistrust between the two spheres.

Looking back on those days now, there probably wasn't as much actual mistrust as was perceived by the press and the public at the time. Nevertheless, the atmosphere is a lot better today. Students, faculty and administrators seem much more favorably disposed toward business. In fact, some 25 percent of all college students today are majoring in some form of business management.

There's certainly more dialogue between business and academia. There's greater interchange of executives and teachers between the two. And most important, there's a greater appreciation among

business leaders of higher education's crucial role in our society.

Corporate Giving Favors Education

Corporate giving to education has risen rapidly in the last generation. In fact, it now accounts for the largest single share of all corporate giving. In 1950, it totaled $43 million. In 1985, it will be 40 times higher—$1.8 *billion*.

Nevertheless, there's still a lot more that can be done to increase that support. I was pleased to see that one of the subjects for discussion at this meeting is *why* corporations should support higher education, and what they can logically expect in return.

I was pleased because, despite business' good record to date, there's still room for substantial growth in corporate support of education.

Just as business needs to understand academia better, the academic world needs more understanding of business' motives in giving to colleges. That will help educators frame their requests for money in terms of business' aims in giving—rather than simply in terms of their own needs, as educators.

Less Red Tape With Corporate Grants

It also will help educators overcome their unjustified fears that accepting corporate money—especially research grants—will infringe on academic freedom. From my own experience, I believe that most corporations bend over backwards to avoid that sort of influence—or even the appearance of influence.

And, I'm glad to note, a majority of college professors and administrators seem to agree. A Harris poll, conducted a few years ago for CFAE, found that educators actually preferred getting money from corporations than from government. There simply was less interference and less red tape with corporate grants.

I feel that these and other fears and suspicions will diminish, as the spirit of cooperation continues

to grow between higher education and business. I certainly hope so. These two sectors are too important in dealing with the crucial issues facing this country to allow mistrust or misunderstanding to blunt their effectiveness.

Four Crucial Social Issues

What then are those crucial issues confronting society today—the issues on which business and the academic world can cooperate most effectively to resolve?

Obviously, there are many. But the most pressing, in my view, are these:

•*First*, improving the quality of our primary and secondary schools.

•*Second*, improving the educational choices and opportunities of minority group members.

•*Third*, seeing if four-year colleges can do a better job preparing their graduates for business careers, without compromising academic standards or distorting curriculums.

•And *fourth*, restoring the importance of the humanities and liberal arts in college curriculums.

Let me discuss each of these briefly.

Precollege Education Must Be Improved

First, the weaknesses and failures of America's primary and secondary systems. They're of great concern to industry as well as to educators.

Look at the evidence. The Center for Public Resources surveyed 200 major companies. A majority reported finding considerable deficiencies among their high school-educated employees. Deficiencies in such basic skills as reading, writing, science, mathematics, reasoning, speaking, listening.

Three quarters of the companies had to provide remedial education, in-house, for these new hires—an expensive proposition. Worse, one utility company found only 10 percent of the high school graduates it interviewed were even promising enough to warrant further testing. And then half of *this* 10

percent failed either a standardized math or reading test—and one third failed them both!

The Carnegie Foundation for the Advancement of Teaching found the same discouraging evidence. Its conclusion: about three quarters of all corporations had to provide their employees basic courses in reading, writing and computation. The sort of knowledge one would have expected high school graduates to have already.

These weaknesses and similar deficiencies in our precollege educational system hurt *all* of us—not just the affected students. They hurt us because they deprive our economy of some of the talent we need to compete with other countries.

And they hurt us because they divert college and business resources from other areas into remedial programs. That drains away time, energy and money that might otherwise go to higher education.

Let's Learn How Children Learn

What do we do about this? Well, many colleges have started to take a closer look at how *they* are training the teachers who will teach in grade school and high school. Perhaps more of them should. And perhaps more research is called for into how children learn—especially underprivileged and minority children.

I'm sure that many companies would listen sympathetically to proposals that they help fund such research. And I believe they also would listen to ideas for strengthening the ties between the schools and the colleges.

The Amoco Oil Company, for example, is providing millions of dollars for a five-year program run by the University of Chicago. It's designed to improve math teaching in primary and secondary schools.

A large part of that program is research into how children learn, as well as how other nations teach math. In fact, I understand they've translated some 20 Russian textbooks on the subject into English.

It's a hands-on program, too. University faculty and staffers are working very closely with school systems on the program.

We Must Help Minorities Succeed

The second challenge that can use more attention from the business and academic worlds, working together, *is the issue of our schools' needs to improve the education of minority groups.*

In my view, we've put a great deal of emphasis on providing minorities with *access* to the schools, but not enough on making that experience a *success.* And access without success is a broken drum.

Minority education made a lot of progress during the 1970s. But there's been a slowdown since. In 1983, the national high school dropout rate for Hispanics, for example, still was a high 29 percent, despite progress in previous years. And last year, the overall dropout rate for all students in New York City high schools was an appalling 39 percent.

That's bad enough. But it's worse when you consider how many students who *do* graduate still don't have the basic skills, as I noted a moment ago. This is a staggering waste of our country's human potential. And it's a terrible injustice to those kids, as well.

The inequities get worse in higher education. From 1981 to '83, 55 percent of white high school graduates enrolled in college. During those same years, the percentage of blacks dropped, from 43 percent to less than 39 percent.

Fewer Minorities Entering College

The same trend shows up at individual colleges, including those that have made major efforts to recruit and retain minority students. At Brown University, for example, the number of Mexican-American and Puerto Rican applicants dropped more than 14 percent in 1984, despite heavy recruiting of those groups.

At Wisconsin, one third of the entire student body eventually drops out. But the figure for minority kids is nearly *half*! Even at Oberlin, the first college to admit blacks, before the Emancipation Proclamation, the trend is discouraging. There, the *Wall Street Journal* reported, the number of blacks has fallen to just 60 students, a 39 percent drop in the past 12 years.

So in the educational sphere, we seem to be losing ground in pursuing our national goal of equal opportunity.

There are lots of social and economic reasons for this. Most are beyond what you and I can influence directly. But there is one cause that we *can* do something about. And that's the scarcity of minority professors to serve as role models. The people and organizations represented at this meeting can do more to help minority teachers climb the educational ladder.

We Can't Afford to Lose Minority Talents

As important as equal opportunities for minorities are, it's not simply a question of fairness or equal rights. It's also a question of meeting the future manpower needs of this country. By the year 2000, some 53 major American cities will be made up of more than 50 percent minority groups.

In that postindustrial economy, the need will be for more and more educated workers. So the loss of so many young people from the educational system will sap our nation's economic strength. Not only by depriving the system of productive workers, but by adding the social burden of supporting nonproductive workers.

But more important, it will sap the strength of our society as well. Where will the leaders of tomorrow come from? Where will we get the educated voters, if the schools don't educate them?

In my view, financial support from industry will be crucial to help educators reach these minority group students. And to help educate them to the same degree that their white fellow citizens are educated.

Better Preparation for Business Needed

The third challenge facing business and higher education, working together, *is to help the four-year colleges find ways to do a better job of preparing their graduates for business careers.* And to do it without threatening academic control or diluting course content.

Industry already is spending as much as $40 billion a year on in-house education of employees. Much of this spending is targeted to specific industry needs and obviously wouldn't be appropriate for college curriculums. And a lot of it is needed to correct the deficiencies of the schools.

But there are other areas where the colleges could probably do more than they're doing—and do it better than industry. We're all aware, for example, that the two-year and community colleges have been educating students for business careers. But the four-year colleges can do more than they have.

Now I emphatically do *not* mean that they should do this at the expense of providing students with well-rounded educations. And I'll say more about this in a moment. However, there *are* opportunities to do both better—to provide an education that broadens the individual and also is useful in a career.

Specifically, here are some examples of what I mean.

Much Adult Learning Needs Updating

Take adult education. Knowledge is expanding so fast that much of what workers learned 20 years ago already is obsolete. And I don't mean just computer science and physics. There are new theories in psychology, economics and other social sciences, to name a few.

So there's a terrific opportunity here for more colleges to get into the business of updating the learning of adults. They could do it on campus or in company buildings—that doesn't matter. Obviously, however, the more convenient these courses are, the more workers will sign up for them.

Some colleges are offering liberal arts courses for executives who missed out on those courses when they were undergraduates. The John Hancock insurance company sends its executives to a program run by Williams College because, in the words of one Hancock vice president, it develops "a broad humanitarian outlook that corporate managers have to have."

More Market Research Might Help

In the consumer products business, one of the methods we rely on heavily is market research. We don't launch a new product, like Post Fruit and Fibre cereal or Jell-O Pudding Pops, unless we check it out thoroughly first in tests with consumers.

I wonder if colleges and universities might not be able to use the same techniques. They could check out the needs of potential "consumers," such as the corporations, to see what services colleges might offer them.

Not just courses in technology, where the colleges already are doing a good job. But perhaps other areas, such as language skills for business managers, because more and more companies are doing business overseas. Or the history, literature and customs of other countries.

Another area where colleges could provide learning needed in business would be writing and communications skills. Too many executives today just cannot communicate their ideas effectively. So often, good ideas get lost in business jargon.

There are plenty of other possibilities. Teaching leadership, for example. Or the psychology of working with other people. Some good, systematic market research would help colleges spot these opportunities. And that would be good for business as well as higher education.

Make Room for Liberal Arts

This leads to my final point: the challenge of restoring the humanities and liberal arts to positions of

greater importance in college curriculums.

In asking the colleges to do more to help educate tomorrow's business managers, I don't mean to imply that humanities classes should be sacrificed to make room for so-called "practical" courses. Not at all. *Both* are important in higher education. There's room for both in a four-year undergraduate education. And in graduate and professional schools as well.

Unfortunately, the liberal arts seem to be becoming what our new Secretary of Education, William Bennett, calls an endangered species. The National Center for Education Statistics reports that, from 1971 to 1982, the number of students earning bachelor's degrees in business almost doubled, while, at the same time, the number in literature, English and the classics was cut in half.

Some people seem to feel that this doesn't matter, that the liberal arts just aren't all that relevant to modern society anymore. In fact, quite the opposite is true. Modern education has become so specialized that many college graduates are no longer capable of functioning outside their own areas of expertise. And this has fragmented learning and led to alienation among people.

People Are More Important Than Facts

That isn't good for the individual student. It's not good for a democratic society, where the actions of the government rest on the wisdom of the people. And it's not even good for business, the intended beneficiary of such specialization.

Because business is, fundamentally, a matter of relations between human beings. And success in business generally means successfully dealing with and motivating people.

I've found that the higher an individual rises in most companies, the *less* important it is to have facts, figures and specific expertise. And the *more* important it becomes to have flexibility, inventiveness, judgment and the capacity to deal with change and with other people. The sort of

strengths one gains from a broad, liberal education.

As my fellow keynote speaker, Father Hesburgh, points out, a liberal education "teaches not so much specific skills as it imparts to students the basic skills needed to acquire new ones." Conversely, he adds, "the narrower the training, the less flexible the employee."

It's no secret that American business is competing increasingly in what is becoming a worldwide marketplace. And as we do, we'll desperately need all the knowledge, all the wisdom and all the bright ideas we can muster.

But if our future managers are educated too narrowly, that's going to put this country at a disadvantage when those managers become our top business leaders in 15 or 20 years.

So what can be done to encourage greater study of the liberal arts by undergraduate and graduate students? A lot. Business can do a lot. And so can the colleges.

Find Ways to Hire Liberal Arts Graduates

For one thing, business can encourage students to study the liberal arts by hiring more liberal arts graduates. The chancellor of the City University of New York has pointed out that, "far too often, it is more secure and safe for personnel officers to hire people with narrow professional and vocational skills, rather than people who are more risky and have a broader liberal arts background."

Many companies, including my own, are trying to find better ways to attract and use students with liberal arts backgrounds. Admittedly, that's not always easy—especially when those kids are competing for their first jobs with students who have specific skills.

General Foods also has joined a number of other major corporations in a Corporate Council on the Liberal Arts. It will explore the influence of a liberal arts education on effective business leadership.

Business also can encourage its present employees to broaden themselves through the study of the

humanities, both in company-sponsored programs and on their own.

Beyond this, there's another trend in business that's working in favor of the liberal arts—and that is that the culture of the American corporation is changing, in response to changes in society.

It's less hierarchical, and open to greater diversity of ideas and lifestyles than it used to be. These changes, I believe, are making the corporation more hospitable to people with broader educations and more diverse backgrounds.

Colleges Can Help Bridge Liberal Arts "Gap"

The colleges also have an important role in this job of helping to bridge the gap between the needs of the business world and the qualifications of a liberal arts graduate.

For one thing, college teachers could learn more about business and how it operates. It would be helpful if more faculty people had some experience in the business world. After all, many of their students will spend the rest of their lives there. Both colleges and companies should try to increase the exchange of professors and corporate executives.

Colleges also could do more to encourage students to stay as broad as they can as long as they can. There certainly are areas where greater relevance can be drawn between classroom subject matter and its application in the so-called "real world."

For example, Cornell has a Common Learning Program, which offers undergraduates interdepartmental seminars on such subjects as "The Conflict Between Science and Religion" or "Science, Technology and the American Economy."

Several years ago, Harvard began restructuring its graduate business school departments and integrating some of its programs with the university's schools of government, education, design and public health.

And most recently, even MIT has begun moving in several areas to strengthen its teaching of the arts and humanities. It did this after members of the

engineering faculty complained that their students were being educated too narrowly.

I believe that these efforts are only a beginning; that many other imaginative ways will be found on both sides to bridge the gap between liberal education and the business world. It's just too important not to happen.

Because, whether they want to admit it or not, business and higher education need each other. And the public is relying on both of us for wisdom and guidance as it faces the uncertain years ahead.

Cooperation Is Key to Winning the Race

Half a century ago, H. G. Wells warned that "Human history becomes more and more a race between education and catastrophe." And he issued that warning *before* the age of the nuclear missile, and *before* the advent of the Second World War.

Today, in this precarious age, the people of our world still live in the shadow of catastrophe. And if we are not to be overtaken by that shadow, we must make sure that our system of education has on its side the best minds we can enlist—from academia, from business and from the general public.

In my view, it will be the efforts of people of good will, from all these areas, working together as we are working together here today, that will insure that the race continues to be won.

Thank you very much for inviting me to join you today. I've enjoyed it very much. And I think we all can look forward confidently to new areas of cooperation between the campus and the corporation emerging from this meeting.

About the Council

CFAE is a not-for-profit organization, founded by business leaders as an instrument of the business community to encourage, and make more efficient, voluntary support of education. Among its many activities, CFAE sponsors the advertising campaign, "Give to the college of your choice."

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680 Fifth Avenue, New York, NY 10019
212/541-4050